



CITY OF FLINT

Dr. Karen Weaver
Mayor

December 16, 2016

Mr. Chris Korleski, Director
Water Division, Region 5
United States Environmental Protection Agency
Ralph Metcalfe Federal Building
77 West Jackson Boulevard (W-15J)
Chicago, Illinois 60604-3590

Sent via Email

Dear Mr. Korleski:

This correspondence is in response to for your November 17, 2016 letter to Governor Rick Snyder and the City of Flint (City) Mayor Karen Weaver which included the First Amendment to the Emergency Order (Amended Order) that was issued to the City, the Michigan Department of Environmental Quality (MDEQ), and the State of Michigan, pursuant to Section 1431 of the Safe Drinking Water Act.

In response to Paragraph 6.b.iv of the Amended Order requiring the Respondents make arrangements to have continued access to its current GLWA source water until its transition to a new water source is complete, the Respondents respectfully request an extension of time to respond to this requirement.

As shown in the attached letter of July 6, 2016, GLWA is contractually committed to provide finished water to the City of Flint until June 30, 2017. The letter required the prepayment funds to cover the extended contract terms. Additionally, the letter Agreement required the approval of the GLWA Board and Flint City Council.

GLWA has indicated that they have no issues with an extension of the contract. However, the process required to extend the contract terms until October 1, 2017 could take several months. The process will include a formal request for an extension by the City, identification of a source for the prepayment funds and approval of the GLWA Board, the Flint City Council and the Receivership Transition Advisory Board (RTAB). The City will immediately initiate this process by requesting an extension of the current letter Agreement.

If you have clarifying questions and/or need additional information, please contact me at (810)

Respectfully submitted,

A handwritten signature in cursive script that reads "Karen W. Weaver".

Dr. Karen W. Weaver
Mayor

cc: Mr. Robert Kaplan, US EPA
Mr. Rich Baird, Governor's Office
Mr. Keith Creagh, MDNR
Mr. Bryce Feighner, MDEQ
Mr. Sylvester Jones, City of Flint



July 6, 2016

The Honorable Dr. Karen W. Weaver, Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Dear Madam Mayor:

Regarding: Letter Agreement for Extension of Water Service Contract

We are acknowledging receipt of your letter dated June 28, 2016, regarding the City's request to extend the term of its Water Service Contract with the Great Lakes Water Authority (GLWA).¹ As your letter makes clear, Flint continues to experience a public emergency with respect to its source of water supply. For this reason, GLWA is agreeable to the City's request for an extension of the term of the contract until June 30, 2017, at the same contract terms and conditions.

GLWA acknowledges the magnitude of the public health emergency faced by the City and, accordingly, in support of the myriad state and local efforts to remediate the situation. GLWA is willing to do its part in the effort by holding firm the current charges for the term of the contract extension. Simply put, GLWA will not increase its existing FY 2016 charges to Flint for the upcoming FY 2017.

The contract extension will require replenishing of the prepayment fund to cover the extended contract term. Maintaining the FY 2016 charges for FY 2017 means the fixed monthly charge of \$662,100 and commodity charge of \$8.93/Mcf will continue, which results in an annual projected revenue of \$13,240,700. As the renewal term equates to 11.5 months rather than a full 12 months, we are amenable to deducting 2 weeks of projected revenue, or \$509,300, for a revised sum of \$12,731,400 to be deposited to the FY 2017 prepayment fund.

¹ As you may recall, Flint's contract was assigned by the City of Detroit to the Great Lakes Water Authority in conjunction with the Water Supply System Lease Agreement executed between the City of Detroit and the Great Lakes Water Authority and effective January 1, 2016.



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GLWA is amenable to accepting payment to the FY 2017 prepayment fund in two equal installments of \$6,365,700, with the first installment due on or before July 13, 2016, and the second installment on or before October 15, 2016.

If the City of Flint is in agreement with the terms of this Letter Agreement, please indicate acceptance by the required signatures below. Should you have any questions, please always feel free to contact me directly at (313) 964-9501.

Sincerely yours,

Sue F. McCormick
Sue F. McCormick
Chief Executive Officer

Cc: Angela Wheeler, Deputy City Attorney

The undersigned acknowledge and agree to be bound by the terms and conditions of this Letter Agreement:

Karen Weaver *7-8-16*
Karen Weaver Date
Mayor

Sylvester Jones, Jr. *7/8/16*
Sylvester Jones, Jr. Date
City Administrator

Approved by Flint City Council on:

July 11, 2016
Date

Kerry Nelson
Kerry Nelson
City Council President